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24 February 1969 Ballpark

STAT

Computer time — 10 hrs. spent plus 10 hrs. to upgrade
20 hrs. total is OK. with Me —
STAT
on this date.

These cryptic notes were made regarding settlement of the FY 68 contract (It was held up because of auditing problems). It seems that a large chunk of computer time was arbitrarily charged to our contract by some component within STAT It meant that an overrun would have been incurred had the 212 hrs been legitimate. In a letter to our contracts people, I disallowed the major portion of this and authorized payment only for 20 hours. The reason for this mess lay wholly within Data Corporation and in effect they "ate" the difference. This is a significant point in that I had not determined the amount of computer time required under these tasks and relied solely on STAT "good faith" in maintaining the program within the alloted money. When asked after the fact about the computer times, there was no hedging a lying — they could have, and saved the company a lot of money.

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